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An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Nils E. Pedersen on 6/19/09.

The application has been amended as follows:

In claim 16 line 1 before "oil" – surfactants, – has been inserted; in line 5 "when" has been deleted; in line 9 "surfactants" has been changed to – said surfactants, wherein the shear forces are supplied by a phase inversion stabilizer, and begin a coalescence process that leads to phase inversion, and separated water is recirculated from said separator to said fluid upstream of said phase inversion stabilizer, to lower a water cut in the oil passing out of said separator - has been inserted.

Claims 17, 19, 23, 26, 28, and 32 have been canceled.

In claims 18 and 20 line 1 "17" has been changed to - 16 -.

In claim 25 line 1 before "oil" – surfactants, – has been inserted; and in line 10 "surfactants" has been changed to – said surfactants, wherein the shear forces are supplied by a phase inversion stabilizer, and begin a coalescence process that leads to phase inversion, and separated water is recirculated from said separator to said fluid upstream of said phase inversion stabilizer, to lower a water cut in the oil passing out of said separator - has been inserted.

In claims 27 and 29 line 1 "26" has been changed to -25 -.

In claim 32 (2^{nd}) line 1 "32. (New)" has been changed to -33. (New) -.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to /Peter A. Hruskoci/ whose telephone number is (571) 272-1160. The examiner can normally be reached on Monday through Friday from 8:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Duane Smith can be reached on (571) 272-1166. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Peter A. Hruskoci/ Primary Examiner Art Unit 1797

6/20/09